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NEWS RELEASE

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Defaults Ordered Against Commodities Investment Promoter, His Companies *Warner took \$521,250 from 12 investors, including \$20,000 from a senior citizen . . .*

SALT LAKE CITY, Utah – Kevin Larry Warner, of West Point, Utah, and five companies he controlled, were ordered today to cease and desist from violating Utah's securities laws. Warner was fined \$500,000 and his companies were fined a total of \$485,000. The cease and desist order was entered by the Utah Division of Securities by default after Warner and his companies failed to defend themselves in a securities fraud enforcement action filed on September 10, 2007. The five companies are: SCI Partners, LLC, Strategic Traders, LLC, Strategic Investors, LLC, Pro Traders Club, LLC, and Go 2 Investments, LLC. The companies have all been dissolved and are no longer in existence.

The default order finds that Warner solicited investments for six different investment opportunities, mostly involving commodities:

- The right to receive a fee for all commodities trades conducted by Warner's company, Strategic Traders;
- Ownership interests in a limited liability company;
- Issuing promissory notes, promising as much as 18% a year;
- Pooling money from multiple investors to engage in commodities speculation;
- Pooling money from investors to buy stock index funds and foreign exchange;
- A plan to earn fees by teaching others how to trade commodities.

The Division of Securities found that Warner violated securities laws by misrepresenting material facts to investors, not disclosing relevant information, and engaging in fraudulent practices. Warner used investor funds for personal expenses, including cash withdrawals, paying phone bills, office rent, payroll expenses, and for paying off earlier investors who had complained. Warner failed to disclose to investors how the funds were being used, that he had previously filed for bankruptcy, and that account statements provided to investors were fraudulent – created by Warner on his computer.

The Utah Attorney General's Office filed criminal charges against Warner on September 20. Those charges are still pending. The Division's action is still pending against one other company owned by Warner. Warner made monthly payments to some investors but still owes investors most of the amount taken from them.